

1 Repeal 2 Cal. Code Regulations Section 18941.1 to read:

2 **~~§ 18941.1. Payments for Food.~~**

3 ~~Except as provided in Government Code section 82028 and California Code of~~
4 ~~Regulations, Title 2, sections 18727.5, 18941, 18942, 18943, 18946.2, 18946.5, 18950.3,~~
5 ~~and 18950.4, a payment made to an elected officer or candidate for his or her food is a~~
6 ~~gift.~~

7 ~~NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,~~
8 ~~87207 and 89501 through 89506, Government Code.~~

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1 Amend 2 Cal. Code Regulations Section 18942 to read:

2 **§ 18942. Exceptions to Gift and Exceptions to Gift Limits.**

3 (a) For purposes of ~~Section~~ Sections 82028, 82030, and the gift regulations, ~~none~~
4 ~~of the following is a gift and none is subject to any limitation on gifts; except as~~
5 otherwise indicated, the following payments that otherwise meet the definition of gift as
6 provided in Section 82028, subdivision (a) are neither gifts nor income:

7 (1) Informational material as defined by Regulation 18942.1. (Section
8 82028(b)(1).)

9 (2) ~~Except for passes and tickets as provided in Regulation 18946.1, a~~ A gift
10 payment that is not used and that, ~~within 30 days after receipt,~~ pursuant to Regulation
11 18941 is returned, ~~or~~ donated pursuant to Regulation 18943, or for which reimbursement
12 is paid ~~pursuant to said Regulation 18943.~~ (Section 82028(b)(2).)

13 (3) A gift payment from: ~~an individual's~~ the official's spouse; or former spouse;
14 child; or step-child; parent; grandparent; grandchild; brother; sister; current or former
15 parent-in-law, brother-in-law, or sister-in-law; nephew; niece; aunt; or uncle; including
16 grand nephew, grand niece, grand aunt, or grand uncle, or first cousin including first
17 cousin once removed or the spouse, or former spouse, of any such person other than a
18 former in-law, unless the donor is acting as an agent or intermediary for any person not
19 identified in this ~~subdivision (a)(3)~~ paragraph. (Section 82028(b)(3).)

20 (4) A campaign contribution required to be reported under Chapter 4 of the Act
21 (commencing with ~~Government Code section~~ Section 84100). (Section 82028(b)(4).)

22 (5) Any devise or inheritance. (Section 82028(b)(5).)

(6) A personalized plaque or trophy ~~with an individual value of~~ valued at less than \$250. (Section 82028(b)(6).)

(7)(A) The cost of home hospitality, as defined in Regulation 18942.2, ~~(including food, beverages, or occasional lodging)~~ provided to an official by an individual in the individual's home when the individual is present, unless one of the following provisions applies:

(i) Any part of the cost of the hospitality provided by the host is paid directly or reimbursed by another person.

(ii) Any person deducts any part of the cost of such hospitality as a business expense on any government tax return.

(iii) There is an understanding between the individual extending the hospitality and another person that any amount of compensation the individual receives from that person includes a portion to be utilized to provide gifts of hospitality in the individual's home.

(B) In determining the applicability of subparagraph (A), the following apply:

(i) The cost of providing hospitality does not include any part of the value or rental cost of the home nor does it include any depreciation value on the home where the hospitality is extended.

(ii) An official may presume that home hospitality qualifies for this exclusion unless the host discloses to the official, or it is clear from the surrounding circumstances at the time the hospitality is provided, that a person, other than the host, paid the cost of the hospitality.

1 (8)(A) Gifts Benefits commonly exchanged between an individual who is
2 required to file a statement of economic interests and another individual, other than a
3 lobbyist, official and an individual who is not a lobbyist who is registered to lobby the
4 official's agency, on holidays a holiday, birthdays birthday, or similar other occasions,
5 including reciprocal exchanges as identified in subparagraph (B) below where benefits
6 are commonly exchanged, to the extent that the gifts value of the benefits exchanged are
7 is not substantially disproportionate ~~For purposes of this subdivision, and~~
8 ~~notwithstanding Regulation 18946.2(b), "gifts exchanged" includes and includes~~ food,
9 ~~beverages, entertainment, and nominal benefits provided at the occasion to guests at an~~
10 event, by the an honoree or another individual, other than a lobbyist, hosting the event.

11 (B) Reciprocal Exchanges made in a social relationship between an official and
12 another individual, who is not a lobbyist who is registered to lobby the official's agency,
13 with whom the official participates in repeated social events or activities such as lunches,
14 dinner, rounds of golf, attendance at entertainment or sporting events, where the parties
15 typically rotate payments on a continuing basis so that, over time, each party pays for
16 approximately his or her share of the costs of the continuing activities, so long as the total
17 value of payments received by the official within the calendar year is not substantially
18 disproportionate to the amount paid by the official. If the official receives a
19 disproportionate amount relative to what the official paid, the official has received a gift
20 for the excess amount. This reciprocal exchange payment provision does not apply to
21 any single payment that is equal to or greater than the amount specified in Regulation
22 18940.2.

1 (9) Leave credits, including vacation, sick leave, or compensatory time off,
2 donated to ~~an~~ the official in accordance with a bona fide catastrophic or similar
3 emergency leave program established by the official's employer and available to all
4 employees in the same job classification or position. ~~This shall not include~~ except for
5 donations of cash.

6 (10) Payments received under a government agency program or a program
7 established by a bona fide charitable organization exempt from taxation under ~~section~~
8 Section 501(c)(3) of the Internal Revenue Code designed to provide disaster relief or
9 food, shelter, or similar assistance to qualified recipients if ~~such~~ the payments are
10 available to members of the public without regard to official status.

11 ~~(11) Free admission, and refreshments and similar non-cash nominal benefits~~
12 ~~provided to a filer at an event at which the filer gives a speech, participates in a panel or~~
13 ~~seminar, or provides a similar service, and transportation and any necessary lodging and~~
14 ~~subsistence that is exempt under Regulation 18950.3. These items are not payments and~~
15 ~~need not be reported by the filer.~~

16 ~~(11) The transportation, lodging, and subsistence specified by Regulation~~
17 ~~18950.4. Payments for campaign activities as specified in Regulation 18950.4.~~

18 (12) A ticket ~~or pass~~, provided to an official and one guest of the official for his or
19 her admission to a facility, event, show, or performance for an entertainment, amusement,
20 recreational, or similar purpose ~~to an event~~ at which the official performs a ceremonial
21 role ~~or function~~ on behalf of ~~the~~ his or her agency, as defined in Regulation 18942.3, so
22 long as the ~~official~~ official's agency complies with the posting provisions set forth in
23 ~~subdivision (e) of Regulation 18944.1,~~ subdivision (d).

1 Any official who attends the event as part of his or her job duties to assist the official who
2 is performing the ceremonial role has not received a gift or income by attending the
3 event.

4 (13) A prize or award received in a manner not related to the official's status in a
5 bona fide contest, competition, or game of chance. A prize or award that is not reported
6 as a gift shall be reported as income unless the prize or award is received as a winning
7 from the California State Lottery.

8 (14) Benefits received as a guest attending a wedding or civil union so long as the
9 benefits are substantially the same as the benefits received by the other guests attending
10 the event.

11 (15) Bereavement offerings typically provided in memory of and concurrent with
12 the passing of a spouse, parent, child, or sibling or other relative of the official.

13 (16) Acts of Neighborliness. A service performed, such as a loan of an item, an
14 occasional needed ride, personal assistance in making a repair, bringing in the mail or
15 feeding the cat while the official is away, and other similar acts of ordinary assistance
16 consistent with polite behavior in a civilized society that would not normally be part of an
17 economic transaction between like participants under similar circumstances.

18 (17) (A) Bona Fide Date or Dating Relationship. Personal benefits commonly
19 exchanged between people on a date or in a dating relationship, unless the individual
20 providing the benefit to the official is listed under (D)(i-iii) below. If the benefit is from
21 an individual listed under (D)(i-iii) the benefit is a gift that is not reportable or subject to
22 limits but the aggregate value is subject to the Act's conflict of interest provisions if the
23 value meets the amount specified in Regulation 18940.2.

1 (B) Acts of Human Compassion. Payments provided to an official, or an
2 official's family member, by an individual to offset family medical or living expenses
3 that the official can no longer meet without private assistance because of an accident,
4 illness, employment loss, death in the family, or other unexpected calamity; or to defray
5 expenses associated with humanitarian efforts such as the adoption of an orphaned child,
6 so long as the source of the donation is an individual who has a prior social relationship
7 with the official of the type where it would be common to provide such assistance (such
8 as a relative, long-term friend, neighbor, co-worker or former co-worker, member of the
9 same local religious or other similar organization, etc.), or the payment is made without
10 regard to official status under other circumstances in which it would be common to
11 receive community outreach, unless the individual providing the benefit to the official is
12 listed under (D)(i-iii) below.

13 (C) A payment provided to an official by an individual with whom the official has
14 a long term, close personal friendship unrelated to the official's position with the agency,
15 unless the individual providing the benefit to the official is listed under (D)(i-iii) below.

16 (D) The limitations placed on the exceptions contained within this paragraph (17)
17 apply to the following persons:

18 (i) A lobbyist, lobbying firm, lobbyist employer, or other person required to file
19 reports under Chapter 6 (commencing with Section 86100) of the Act and who is
20 registered to lobby the official's agency.

21 (ii) A person who has, or may reasonably foreseeably have, a contract, license,
22 permit, or other entitlement for use pending before the official's agency, and for 12
23 months following the date a contract is signed or a final decision is rendered in the

1 proceeding, if the official makes or participates in making a governmental decision, as
2 defined in the Act's conflict of interest regulations (Regulation 18702 et seq.) regarding
3 the contract, license, permit, or other entitlement for use.

4 (iii) A person, or an agent of a person, involved in a licensing or enforcement
5 proceeding before a regulatory agency that employs the official and in which the official
6 may reasonably foreseeably participate, or has participated, within 12 months of the time
7 the gift is made.

8 (18) Any other payment not identified above, that would otherwise meet the
9 definition of gift, where the payment is made by an individual who is not a lobbyist
10 registered to lobby the official's agency, where it is clear that the gift was made because
11 of an existing personal or business relationship unrelated to the official's position and
12 there is no evidence whatsoever at the time the gift is made that the official makes or
13 participates in the type of governmental decisions that may have a reasonably foreseeable
14 material financial effect on the individual who would otherwise be the source of the gift.

15 (b) The following items, ~~if they are otherwise~~ gifts, are exempt from the
16 limitations on gifts described in Section 89503:

17 (1) Payments for transportation, lodging, and subsistence that are exempt from
18 limits on gifts by Section 89506 and ~~Regulations 18950.3, et seq.~~

19 (2) Wedding gifts.

20 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,
21 86113, 86203, 87100, 87103, 87207, 87302 and 89503, Government Code.

1 Amend 2 Cal. Code Regulations Section 18942.1 to read:

2 **§ 18942.1. Definition of “Informational Material.”**

3 “Informational material” means any ~~item which~~ goods or service that serves
4 primarily to convey information and ~~which that~~ is provided to the official for the purpose
5 of assisting ~~the recipient~~ him or her in the performance of his or her official duties or the
6 duties of the elective office he or she seeks. Informational material may include:

7 (a) Books, reports, pamphlets, calendars, periodicals, ~~videotapes,~~ photographs,
8 audio and video recordings, flash drives, CD-ROMS, or DVD ROMS or other similar
9 recordings, or free or discounted admission to informational conferences or seminars.

10 (b) Scale models, pictorial representations, maps, and other such items, provided
11 that ~~where~~ when the item has a fair market value in excess of \$420 the gift limit amount
12 specified in Regulation 18940.2, the burden shall be on the recipient to demonstrate that
13 the item is informational material.

14 (c) ~~On-site demonstrations, tours, or inspections designed specifically for the~~
15 ~~purpose of assisting the recipient public officials or candidates in the performance of~~
16 ~~either their official duties or of the elective office they seek. No payment for~~
17 ~~transportation to an inspection, tour, or demonstration site, nor reimbursement for any~~
18 ~~expenses in connection therewith, shall be deemed “informational material” except~~
19 ~~insofar as such transportation is not commercially obtainable.~~

20 On-site demonstrations, tours, or inspections. Transportation provided to or in
21 connection with an on-site demonstration, tour, or inspection is also considered
22 “informational material” when any of the following apply:

1 (1) The transportation serves as the means by which the information is conveyed
2 and is integral to the conveyance of the information, such as an aerial tour over an area.

3 (2) The transportation is provided solely at the site of a demonstration, tour, or
4 inspection, including to and from an area of that site that is legally inaccessible to the
5 public.

6 (3) The transportation is to or from a site when there is no reasonable, publicly-
7 available commercial transportation available to that site and the transportation provided
8 is limited to the segment for which public transportation is not available.

9 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,
10 87103(e), 87207 and 89503, Government Code.

1 Adopt 2 Cal. Code Regulations Section 18942.3 to read:

2 **§ 18942.3. Definition of Ceremonial Role.**

3 A “ceremonial role” is an act performed at an event by the official as a
4 representative of the official’s agency at the request of the holder of the event or function
5 where, for a period of time, the focus of the event is on the act performed by the official.
6 Examples of a ceremonial role include: throwing out the first pitch at a baseball game;
7 cutting a ribbon at an opening; making a presentation of a certificate, proclamation,
8 award, or other item, such as the key to the city. The filing officer of a local jurisdiction
9 may adopt specific policies under this definition that either limit or expand the
10 permissible ceremonial roles for an official in the local jurisdiction. If the local
11 jurisdiction's filing officer does not have policy-making authority, the legislative body
12 may adopt a specific policy. If a separate agency policy is adopted, the policy shall be
13 forwarded to the Commission for posting on the Commission’s website.

14 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,
15 87207 and 89503, Government Code.

1 Amend 2 Cal. Code Regulations Section 18946.2 to read:

2 **§ 18946.2. ~~Reporting and~~ Exception — Valuation of Gifts: Testimonial Dinners and**
3 **~~Events, Attendance at Invitation-Only Events, and Ceremonial Functions.~~**

4 (a) ~~Testimonial Dinners. When an official or candidate is honored at a testimonial~~
5 ~~dinner or similar event, at which campaign fundraising for the official or candidate does~~
6 ~~not occur, the value received is the official's or candidate's pro rata share of the cost of the~~
7 ~~event, plus the value of any specific item that is presented to the official or candidate at~~
8 ~~the event.~~ The valuation of attendance at an invitation-only event under this regulation
9 applies to the official and one guest of the official attending the event.

10 (b) Invitation-Only Events. Except as provided in ~~subdivision~~ subdivisions (d)
11 through (f) of this regulation, and in Regulation 18946.4, when an official or candidate
12 the admission value of the benefit received by an official and one guest who attends an
13 invitation-only event, such as a banquet, party, gala, celebration, or other similar
14 function, other than a nonprofit or political fundraiser as set forth in 2 Cal. Code Regs.
15 section 18946.4, the value received is the official's or candidate's pro rata share of the
16 cost of the event, plus the value of any specific item that is presented to the official or
17 candidate at the event is the official's and the guest's pro-rata share of the cost of the
18 food, catering services, entertainment, and any item provided to the official and guest that
19 is available to all guests attending the event. Any other specific benefit provided to the
20 official and guest at the event, such as golf green fees, is valued at fair market value.

21 (c) “Pro-rata share of the cost of the ~~event~~ food, catering services, entertainment,
22 and any item provided to the official.” The term “pro-rata share of the cost of the ~~event~~
23 food, catering services, entertainment, and any item provided to the official and guest”

1 means the cost of all food, catering services, and beverages, rent of the facilities,
2 decorations, entertainment, and any specific item presented to all attendees as part of the
3 event, and all other costs associated with the event, divided by the number of acceptances
4 or the number of attendees..

5 (d) Official or Ceremonial Functions. When an official performs an official or
6 ceremonial function at an invitation-only event, as set forth in subdivision (b) of this
7 regulation, in which the official is invited to participate by the event's sponsor or
8 organizer to perform an official or ceremonial function, the value received is the pro rata
9 cost of any ~~food~~ meal provided to the official and guest plus the value of any specific
10 item that is presented to the official and his or her guest at the event.

11 (e) Drop-In Visit. Except as provided in subdivision (f) of this regulation, if an
12 official attends an invitation-only event ~~referred to in subdivision (a) or (b) of this~~
13 ~~regulation~~ and does not ~~stay for~~ consume any meal or ~~stay for any~~ entertainment
14 ~~otherwise provided at the event,~~ and ~~receives~~ consumes only minimal appetizers and
15 drinks, the value of the gift received is ~~the cost of the food and beverage consumed by the~~
16 ~~official and guest accompanying the official plus the~~ value of any specific item, other
17 than food, presented to the official and guest accompanying the official at the event.. ~~For~~
18 ~~purposes of this subdivision, "entertainment" means a feature show or performance~~
19 ~~intended for an audience, and does not include music provided for background ambience.~~

20 (f) Lobbyists, Lobbying Firms, and Lobbyists Employers. ~~Where~~ When an
21 official attends an invitation-only event ~~referred to in subdivision (a) or (b) of this~~
22 ~~regulation,~~ sponsored by any person required to file a periodic statement under Article 1

1 of Chapter 6 of ~~this title~~ the Act, the value of the gift is determined pursuant to the
2 provisions of ~~2 Cal. Code Regs. section~~ Regulation 18640.

3 (f) For purposes of this regulation, “entertainment” means a feature show or
4 performance intended for an audience, and does not include music provided for
5 background ambiance.

6 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,
7 86201, 86203, 87103, 87207, 87302 and 89501 through 89506, Government Code.

Amend 2 Cal. Code Regulations Section 18946.4 to read:

§ 18946.4 ~~Reporting and~~ Exception — Valuation of Gifts: ~~Tickets~~ Attendance
~~Provided by at~~ Nonprofit and or Political ~~Organizations~~ Organization for Their
Fundraising Events.

This regulation ~~applies to a single ticket~~ establishes the value of a ticket, or other
admission privilege by invitation, to a specific fundraising event provided when the ticket
or invitation to attend is to a public official by fundraising event for a nonprofit or
political organization ~~holding its own fundraiser and used solely by the public official.~~

(a) Nonprofit Fundraiser. Except as provided in subdivision (b), the value ~~of a~~
~~gift of a ticket or admission by invitation, pass, or other admission privilege to a~~
fundraising event for a non-profit, tax exempt organization that is not a committee
covered by subdivision (c) is determined as follows:

(1) ~~Where~~ When the ticket clearly states that a portion of the ticket price is a
donation to the organization, or the organization provides information indicating the
portion of the admission price that constitutes the donation, the value of the ~~gift ticket~~ is
~~the face value of the ticket reduced by the amount of the donation~~ nondeductible portion
of the admission.

(2) If there is no ticket, or other official information provided by the organization,
indicating ~~a face~~ the value of the nondeductible portion of the admission, ~~or the ticket or~~
~~other admission privilege has no stated price or no stated donation portion,~~ the value of
the ~~gift~~ admission is the pro-rata share of the cost of any food, catering services, ~~and~~
~~beverages, plus any other specific item presented to the attendee at the event~~
entertainment, and any other item provided to the official that is available to all guests

1 attending the event, as determined under Regulation 18946.2 for invitation-only events.
2 Any other specific benefit provided to the official at the event, such as golf green fees, is
3 valued at fair market value.

4 (b) 501(c)(3) Organization Fundraiser. ~~Where~~ When the event is a fundraising
5 event for an organization exempt from taxation under Section 501(c)(3) of the Internal
6 Revenue Code, the organization may provide two tickets or invitations per event to an
7 official ~~and that ticket~~ that shall be deemed to have no value, ~~so long as the cumulative~~
8 ~~value of the nondeductible portion of the ticket(s), as provided in subdivision (a),~~
9 ~~received by the official from the same organization during a calendar year, does not~~
10 ~~exceed the gift limits imposed under Section 89503 and Regulation 18940.2.~~ Additional
11 tickets or admissions by invitation provided to or controlled by the official and any
12 tickets not provided directly by the 501(c)(3) organization to the official are valued under
13 subdivision (a) above.

14 (c) Political Fundraiser. For a ~~gift of a ticket or invitation, pass, or other~~
15 ~~admission privilege~~ to attend a fundraising event for a committee defined in Section
16 82013(a), or a comparable committee regulated under federal law or the laws of another
17 state holding an event in California, the committee or candidate may provide two tickets
18 or invitations per event to an official ~~and that ticket~~ that shall be deemed to have no
19 value. Additional tickets or admissions by invitation provided to or controlled by the
20 official and any tickets not provided directly by the committee or candidate to the official
21 are valued under subdivision (a) above.

22 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,
23 87207 and ~~87302~~ 89503, Government Code.

1 Amend 2 Cal. Code Regs. Section 18946.6 to read:

2 **§ ~~18946.6~~ 18946.5 Reporting and Exception — Valuation of Gifts: Air**

3 **Transportation**

4 Air transportation ~~that is a gift to a public official shall be~~ is valued as follows:

5 (a) ~~For~~ The value of transportation on a "commercial aircraft flight," ~~the value of~~
6 ~~the ticket or fare is the price~~ the carrier charges to a member of the public for the same
7 ~~transportation class seat on the flight~~ provided to the official. For purposes of this
8 regulation, "commercial aircraft flight," means an aircraft used to transport a flight where
9 individual seats are sold to the general public for compensation or hire on a regular basis,
10 and for which a fare is charged on a per passenger basis in the general course of business.

11 (b) ~~For~~ The value of all other air transportation is the value of the normal and
12 usual charter fare or rental charge for a comparable airplane of comparable size, divided
13 by the number of ~~all of the following persons that share the same flight:~~ of passengers
14 aboard the flight.

15 ~~(1) "Designated employees" as defined in Section 82019.~~

16 ~~(2) Public officials specified in Section 87200.~~

17 ~~(3) Members of Congress, and officers and employees of the executive,~~

18 ~~legislative, or judicial branch of the United States government.~~

19 (c) ~~The actual cost or fair market value of any other personal benefits provided to~~
20 ~~the official during the air transportation, including food, beverages, or entertainment,~~
21 ~~shall be treated as a separate gift to the official unless the benefit is included as part of the~~
22 ~~fare determined in subdivision (a) or (b).~~

1 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,
2 87207, 87302, and 89501 — 89506 Government Code.

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